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MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (RD&A)
ASSISTANT SECRETARY OF THE NAVY (S&L)
ASSISTANT SECRETARY OF THE AIR FORCE (A)
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Governmentwide Commercial Credit Card Program

The General Services Administration (GSA) recently awarded a single award schedule contract (Enclosure 1) with the objectives of: (1) streamlining payment procedures and reducing administrative costs for acquisitions of supplies and services under \$25,000; (2) improving Government cash management practices, i.e., forecasting, consolidating payments, reducing imprest funds, etc.; and (3) providing procedural checks and feedback to improve management control.

Although the card may be used for most purchases that do not exceed \$25,000, the recommended target acquisitions are those currently being accomplished using imprest fund or SF 44 procedures; i.e., one delivery, one payment. You must perform a cost/benefit analysis if you contemplate using the credit card on a regular basis for single purchases that exceed \$2,000.

Procedures for conducting this analysis are at Enclosure 2. Use of the credit card does not preclude compliance with all applicable statutory and regulatory requirements. Revised FAR coverage is forthcoming to incorporate use of the credit card as an authorized method of payment.

Prior to implementing this program, you should develop written internal operating procedures for use of the credit card. GSA developed the enclosed Model Procedures for Use of the Governmentwide Commercial Credit Card Service (Enclosure 3). Since the model procedures were developed for use by all Federal agencies, some of the dollar thresholds may need to be adjusted to reflect DoD policy. Mandatory DoD modifications to the model procedures regarding HCA Delegation of Authority and Training Requirements are found at Enclosure 4. You may also make additional modifications to the model procedures as are deemed appropriate. Enclosures 5 and 6 may also be helpful in preparing instructions for cardholders and approving officials.

The Office of Management and Budget (OMB) has requested an estimate of DoD's planned purchase volume, by quarter, for calendar years 1989 and 1990. To facilitate the preparation of the response to OMB, please forward your estimate (to include your anticipated implementation schedule), together with the name, address, and phone number of your agency point of contact, to ODASD(P)CPA, Room 3C838, Pentagon, Washington, DC 20301-8000 within 60 days.

If you need additional information on the credit card program, please contact Mr. Fred Kohout, AUTOVON 227-8334 or commercial (202) 697-8334.

Eleanor R. Spector
Deputy Assistant Secretary of
Defense for Procurement

Enclosures